

**RUSTON-LINCOLN CONVENTION AND
VISITORS BUREAU
RUSTON, LOUISIANA
DECEMBER 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/22/07

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RUSTON, LOUISIANA

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REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of Ruston-Lincoln Convention and Visitors Bureau provides an overview of the Bureau's financial activities for the fiscal years ended December 31, 2006 and 2005. Please read it in conjunction with the Bureau's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Bureau as a whole. Fund financial statements start on Page 5. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Bureau's operations in more detail than the government-wide statements by providing information about the Bureau's most significant funds. The accompanying financial statements present information only on the funds maintained by the Bureau.

Reporting the Funds Maintained by the Bureau as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the funds maintained by the Bureau as a whole begins on Page 3. The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the Bureau as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting.

These two statements report the Bureau's *net assets* and changes in them. The Bureau's net assets - the difference between assets and liabilities - is one way to measure the Bureau's financial health, or *financial position*. Over time, *increases or decreases* in the Bureau's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we record the activities in the funds maintained by the Bureau as governmental activities:

Governmental activities - expenses related to, and resources provided for, the solicitation and servicing of conventions and visitor activities.

Proprietary Fund - is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Reporting the Most Significant Funds Maintained by the Bureau

Our analysis of the major funds maintained by the Bureau begins on Page 5. The fund financial statements provide detailed information about the most significant funds maintained by the Bureau - not necessarily the Bureau as a whole. The Bureau's funds use the following accounting approaches.

Governmental fund - All of the Bureau's expenses are reported in a governmental fund, which focuses on how money flows into and out of this fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called *modified accrual basis*. The governmental fund statements provide a detailed *short-term view* of the Bureau's operations and the expenses paid from the fund. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Bureau expenses.

THE FUNDS MAINTAINED BY THE BUREAU AS A WHOLE

The Bureau's total net assets changed from a year ago, increasing from \$271,032 to \$356,423. This increase amounted to \$85,391, or 31.5%.

Table 1
Net Assets

	<u>Government-Wide Activities</u>	
	<u>2006</u>	<u>2005</u>
Current assets	359,800	276,554
Capital assets, net	<u>9,621</u>	<u>12,507</u>
Total assets	369,421	289,061
Current liabilities	<u>12,998</u>	<u>18,029</u>
Total liabilities	12,998	18,029
Net assets:		
Unreserved and undesignated	<u>356,423</u>	<u>271,032</u>
Total net assets	<u>356,423</u>	<u>271,032</u>

Table 2
Changes in Net Assets

	<u>Government-Wide Activities</u>	
	<u>2006</u>	<u>2005</u>
Revenues		
Government	394,349	289,999
Business-type	163,979	186,889
Interest	8,865	6,039
Other	<u>3,600</u>	<u>1,058</u>
Total revenues	570,793	483,985
Expenses		
Government	415,974	463,149
Business-type	<u>69,428</u>	<u>62,250</u>
	<u>485,402</u>	<u>525,399</u>
Increase (decrease) in net assets	<u>85,391</u>	<u>(41,414)</u>

CAPITAL ASSETS

At the end of 2006, the Bureau had invested \$35,663 in capital assets from those funds maintained by the Bureau.

Table 3
Capital Assets At Year End

	<u>Government-Wide Activities</u>	
	<u>2006</u>	<u>2005</u>
Furniture and equipment	35,663	35,663
<u>Less-accumulated depreciation</u>	<u>(26,042)</u>	<u>(23,156)</u>
	<u>9,621</u>	<u>12,507</u>
The years' major additions included:		
Vehicle	<u>-</u>	<u>14,431</u>

FUTURE OPERATIONS

The Bureau derives the majority of its revenue from two main sources. At the local level, the Bureau receives revenue through the Lincoln Parish Police Jury on the Lodging Tax assessed and collected on hotel/motel revenue. On the state level, the Bureau receives revenue from the State of Louisiana as an allocation of the state sales tax allocated to Lincoln Parish. The Bureau does not expect any major fluctuations in these revenues in the succeeding year. In 2007, the Bureau will begin the acquisition of financing and planning the construction of a new Convention and Visitor's Center. The commencement of construction is scheduled for late 2007, with completion to follow in 2008. As of the date of these financial statements, architectural renderings had been completed, and construction appears to be on schedule. The Bureau anticipates the acquisition of the new Center will also increase the capital assets in 2007 and 2008 substantially.

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Bureau and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ruston-Lincoln Convention and Visitors Bureau, 104 East Mississippi Street, Ruston, Louisiana 71270.

AUDITED FINANCIAL STATEMENTS

**HEARD
McELROY
& VESTAL**
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July 31, 2007

To the Board of Commissioners
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, business-type activities and fund information of the Ruston-Lincoln Convention and Visitors Bureau, as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements of the Ruston-Lincoln Convention and Visitors Bureau as listed in the table of contents. These financial statements are the responsibility of the Ruston-Lincoln Convention and Visitors Bureau's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and fund information for the Ruston-Lincoln Convention and Visitors Bureau, as of December 31, 2006, and the respective changes in financial position and cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2007, on our consideration of the Ruston-Lincoln Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The accompanying required supplementary information, consisting of management's discussion and analysis and budgetary comparison information on Pages 17 through 19, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Heard, McElroy & Vestal, LLP

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF NET ASSETS

DECEMBER 31, 2006

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Cash and cash equivalents	-	75,183	75,183
Certificates of deposit	-	200,000	200,000
Accounts receivable	65,596	-	65,596
Prepaid expenses	10,865	-	10,865
Other assets	8,156	-	8,156
Fixed assets, net of accumulated depreciation	<u>9,621</u>	<u>-</u>	<u>9,621</u>
Total assets	<u>94,238</u>	<u>275,183</u>	<u>369,421</u>
<u>Liabilities and Net Assets:</u>			
<u>Liabilities:</u>			
Accounts payable	5,104	-	5,104
Bank overdraft	1,436	-	1,436
Accrued payroll liabilities	<u>6,458</u>	<u>-</u>	<u>6,458</u>
Total liabilities	<u>12,998</u>	<u>-</u>	<u>12,998</u>
<u>Net Assets:</u>			
Unrestricted/undesignated	71,619	275,183	346,802
Investment in general fixed assets	<u>9,621</u>	<u>-</u>	<u>9,621</u>
Total net assets	<u>81,240</u>	<u>275,183</u>	<u>356,423</u>
Total liabilities and net assets	<u>94,238</u>	<u>275,183</u>	<u>369,421</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Function/Program Activities</u>				
<u>Governmental Activities:</u>				
Operating expenditures	415,974	3,600	-	-
<u>Business-Type Activities:</u>				
Enterprise Fund	<u>69,428</u>	<u>163,979</u>	<u>-</u>	<u>-</u>
	<u>485,402</u>	<u>167,579</u>	<u>-</u>	<u>-</u>
		General Revenues:		
		Lodging Tax Collections		
		Interest Earned		
		Transfers		
		Total General Revenues		
		Changes in Net Assets		
		Net Assets-Beginning		
		Net Assets-Ending		

The accompanying notes are an integral part of the financial statements.

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
(412,374)	-	(412,374)
<u>-</u>	<u>94,551</u>	<u>94,551</u>
(412,374)	94,551	(317,823)
394,349	-	394,349
-	8,865	8,865
<u>33,469</u>	<u>(33,469)</u>	<u>-</u>
<u>427,818</u>	<u>(24,604)</u>	<u>403,214</u>
15,444	69,947	85,391
<u>65,796</u>	<u>205,236</u>	<u>271,032</u>
<u>81,240</u>	<u>275,183</u>	<u>356,423</u>

FUND FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET-GOVERNMENTAL FUNDS

DECEMBER 31, 2006

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	-
Accounts receivable	65,596
Prepaid expenses	10,865
Other assets	<u>8,156</u>
Total assets	<u>84,617</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities:</u>	
Accounts payable	5,104
Bank overdraft	1,436
Accrued payroll liabilities	<u>6,458</u>
Total liabilities	12,998
<u>Fund balance:</u>	
Unrestricted	<u>71,619</u>
Total liabilities and fund balance	<u>84,617</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

DECEMBER 31, 2006

<u>Total Governmental Fund Balances</u>	71,619
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*Amounts reported for governmental activities
in the statement of net assets are different*

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>9,621</u>
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<u>Net assets of Governmental Activities</u>	<u>81,240</u>
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The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General Fund</u>
<u>Revenues:</u>	
Lodging tax collections	394,349
Other revenues	<u>3,600</u>
Total revenues	397,949
<u>Expenditures:</u>	
Accounting-audit	4,255
Advertising	95,906
Auto expense	9,796
Brochure distribution	5,615
Collection administration	2,129
Dues and subscriptions	4,072
Grants	37,997
Hospitality and tourism awareness	3,248
Miscellaneous expenses	980
Office supplies and expense	<u>7,171</u>
Operating expenses	31,200
Orientation/retreat	2,003
Parish park contributions	69,999
Payroll expense	94,960
Payroll taxes	2,772
Postage	3,779
Promotional fees	9,858
Registration fees, trade shows, and marketing	970
Retirement match	9,241
Staff training	2,715
Telephone and utilities	4,009
Travel-air	2,693
Travel-lodging	3,455
Travel-meals and entertainment	<u>4,265</u>
Total expenditures	<u>413,088</u>
<u>(Deficiency) of revenues over expenditures</u>	(15,139)
<u>Other financing sources (uses):</u>	
Operating transfers in	<u>33,469</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General Fund</u>
<u>Excess of revenues and other sources over expenditures and other uses</u>	18,330
<u>Fund balances, beginning</u>	<u>53,289</u>
<u>Fund balances-ending</u>	<u>71,619</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

DECEMBER 31, 2006

<u>Net Change in Fund Balances - Total Governmental Funds</u>	18,330
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*Amounts reported for governmental activities in the
statements of activities are different because:*

Governmental funds report capital outlays as
expenditures while governmental activities report
depreciation expense to allocate those expenditures
over the life of the assets:

 Capital assets purchases capitalized

 Depreciation expense

-
<u>(2,886)</u>

<u>Change in Net assets in Governmental Activities</u>	<u>15,444</u>
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The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET - PROPRIETARY FUND

DECEMBER 31, 2006

	<u>Business-Type Activities Enterprise Fund</u>
<u>Assets:</u>	
Cash and cash equivalents	75,183
Certificates of deposit	<u>200,000</u>
Total assets	<u>275,183</u>
<u>Liabilities and fund balance:</u>	
Liabilities	-
<u>Fund balance:</u>	
Unrestricted	<u>275,183</u>
Total liabilities and fund balance	<u>275,183</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Business-Type Activities Enterprise Fund</u>
<u>Revenues:</u>	
Enterprise revenue	163,979
<u>Expenditures:</u>	
Special appropriations	<u>(69,428)</u>
<u>Operating income</u>	94,551
<u>Nonoperating revenues:</u>	
Interest income	8,865
<u>Other financing resources (uses):</u>	
Operating transfers out	<u>(33,469)</u>
<u>Change in net assets</u>	69,947
<u>Net assets, beginning</u>	<u>205,236</u>
<u>Net assets, ending</u>	<u>275,183</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Business-Type Activities Enterprise Fund</u>
<u>Increase in cash and cash equivalents:</u>	
<u>Cash flows from operations:</u>	
Sales taxes received from state	163,979
Payments to provide services	<u>(69,428)</u>
Net cash provided by operating activities	94,551
<u>Cash flows from investing activities:</u>	
Interest income	8,865
Increase in certificate of deposit	(100,000)
Decrease in certificates of deposit held for investment	<u>2,585</u>
Net cash (used) by investing activities	(88,550)
<u>Cash flows from noncapital financing activities:</u>	
Transfer to General Fund	<u>(33,469)</u>
Net cash (used) by noncapital financing activities	<u>(33,469)</u>
<u>Net (decrease) in cash and cash equivalents</u>	(27,468)
<u>Cash and cash equivalents, beginning of year</u>	<u>102,651</u>
<u>Cash and cash equivalents, end of year</u>	<u>75,183</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	<u>94,551</u>
Net cash provided by operating activities	<u>94,551</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006

1. Summary of Significant Accounting Policies

The Ruston-Lincoln Convention and Visitors Bureau (the Bureau) was created by the Lincoln Parish Police Jury for the purpose of representing the business and civic community on an organized and nonprofit basis for the solicitation and servicing of conventions and for the promotion of visitor activity within Lincoln Parish.

The Bureau complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the Bureau's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. The Bureau considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual include hotel and motel taxes levied by the Lincoln Parish Police Jury and state sales tax allocated to Lincoln Parish by the State of Louisiana. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Bureau's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period.

1. Summary of Significant Accounting Policies (Continued)

Other revenues are considered to be measurable and available only when cash is received by the Bureau. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Proprietary Fund Financial Statements – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements described above.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Bureau's enterprise fund has elected not to apply FASB issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Accounting

The financial activities of the Bureau are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Bureau uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – This fund accounts for all activities of the Bureau not specifically required to be accounted for in other funds.

Proprietary Funds

Enterprise Fund – The Enterprise Fund is used for tourism purposes, including the promotion of fairs and festivals in Lincoln parish, and for economic development in Lincoln Parish as provided by Act 983 of the 1992 Regular Legislative Session.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the Executive Director and his staff as part of the Bureau's annual planning and budgeting process. The budget is then adopted by the Board of Commissioners. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year.

1. Summary of Significant Accounting Policies (Continued)

Unexpended budget balances lapse at year end. The Bureau's Board of Commissioners has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements or originally adopted and as amended by the Board.

Cash and Cash Equivalents

Cash includes demand deposits, money market accounts and certificates of deposit with maturity dates of three months or less from the end of the year. Under state law, the Bureau may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Bureau may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value – the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the banks as of that date.

Fund Equity

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2006.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

2. Cash

At year end, the carrying amount (book amount) of the Bureau's cash and cash equivalents was \$75,183. Not included in cash equivalents was two certificates of deposit held at a local financial institution, with a total value of \$200,000. The total bank balances are categorized as follows:

Bank balances	<u>275,183</u>
Federal deposits insurance	300,000
Pledged securities (uncollateralized)	<u>-</u>
Total	<u>300,000</u>

3. Property and Equipment

Capital asset activity for the year ended December 31, 2006 is as follows:

3. **Property and Equipment** (Continued)

	<u>Balance</u> <u>12-31-05</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12-31-06</u>
Depreciable assets:				
Machinery and equipment	35,663	-	-	35,663
Accumulated depreciation:				
Machinery and equipment	<u>(23,156)</u>	<u>2,886</u>	<u>-</u>	<u>(26,042)</u>
Net fixed assets	<u>12,507</u>	<u>2,886</u>	<u>-</u>	<u>9,621</u>

Depreciation expense for the year ended December 31, 2006 was \$2,886.

4. **Investments**

The Bureau had no investments at December 31, 2006.

5. **Accounts Receivable**

The accounts receivable at December 31, 2006 is as follows:

Lodging tax collections	<u>65,596</u>
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Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

6. **Litigation and Claims**

According to the Parish District Attorney, the Lincoln Parish Convention and Visitors Bureau had no pending or threatened litigation as of December 31, 2006.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues:</u>				
Lodging tax collections	329,000	360,000	394,349	34,349
Other revenues	3,500	8,800	3,600	(5,200)
Interest income	<u>25</u>	<u>200</u>	<u>-</u>	<u>(200)</u>
Total revenues	332,525	369,000	397,949	28,949
<u>Expenditures:</u>				
Accounting/audit	5,000	4,500	4,255	245
Advertising	174,825	104,006	95,906	8,100
Auto expense	8,200	9,700	9,796	(96)
Board retreat	500	-	-	-
Brochure distribution	5,000	3,000	5,615	(2,615)
Collection administration	2,000	2,000	2,129	(129)
Dues and subscriptions	4,000	4,000	4,072	(72)
FAM tours	2,000	-	-	-
Grants	74,000	40,000	37,997	2,003
Hospitality and tourism awareness	5,000	3,500	3,248	252
Miscellaneous	-	-	980	(980)
Office supplies and expenses	9,000	7,000	7,171	(171)
Operating expenses	72,480	41,650	33,203	8,447
Parish park contributions	-	85,944	69,999	15,945
Personnel expenses	143,520	100,000	106,973	(6,973)
Postage	6,000	4,000	3,779	221
Promotional fees	9,000	10,000	9,858	142
Registration fees, trade shows and marketing	3,500	2,700	970	1,730
Staff training	-	-	2,715	(2,715)
Telephone and utilities	-	-	4,009	(4,009)
Travel-air	4,500	4,500	2,693	1,807
Travel-lodging	2,000	2,500	3,455	(955)
Travel-meals and entertainment	<u>2,000</u>	<u>2,500</u>	<u>4,265</u>	<u>(1,765)</u>
Total expenditures	532,525	431,500	413,088	18,412
<u>Excess (deficiency) of revenues</u>				
<u>over expenditures</u>	(200,000)	(62,500)	(15,139)	47,361

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Other financing sources:</u>				
<u>Operating transfers in</u>	<u>200,000</u>	<u>62,500</u>	<u>33,469</u>	<u>(29,031)</u>
<u>Excess of revenues and other sources</u>				
<u>over expenditures</u>	-	-	18,330	18,330
<u>Fund balance at beginning of year</u>	<u>-</u>	<u>-</u>	<u>53,289</u>	<u>53,289</u>
<u>Fund balance at end of year</u>	<u>-</u>	<u>-</u>	<u>71,619</u>	<u>71,619</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2006

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the Executive Director and his staff as part of the Bureau's annual planning and budgeting process. The budget is then adopted by the Board of Commissioners. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year.

Unexpended budget balances lapse at year end. The Bureau's Board of Commissioners has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board.

OTHER SUPPLEMENTAL INFORMATION

July 31, 2007

To the Board of Commissioners
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

**Report on Internal Control over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

We have audited the financial statements of Ruston-Lincoln Convention and Visitors Bureau as of and for the year ended December 31, 2006, and have issued our report thereon dated July 31, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ruston-Lincoln Convention and Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ruston-Lincoln Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2006-01.

This report is intended solely for the information and use of the board of directors, management, the State of Louisiana Legislative Auditor, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Heard, McElroy & Vestal, LLP

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau.
2. No reportable conditions relating to the audit of the basic financial statements are reported; no material weaknesses are reported.
3. One instance of noncompliance material to the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau was disclosed during the audit.
4. Ruston-Lincoln Convention and Visitors Bureau was not subject to a Federal Single Audit for the year ended December 31, 2006.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2006-01 - Compliance Finding

Statement of Condition: The Bureau did not provide audited financial statements to the State of Louisiana through the Office of the Legislative Auditor no later than six (6) months after the Bureau's year end.

Criteria: Louisiana Revised Statute 24:513 requires that audit, review/attestation and compilation reports of certain governmental entities be submitted to the office of the Legislative Auditor no later than six (6) months after the entity's fiscal year end.

Effect of Condition: The Bureau was not in compliance with the provisions of this state law.

Recommendation: It is recommended that the process of beginning the audit and the scheduling of the same commence earlier in the year following the close of the Bureau's accounting fiscal year, in order to provide sufficient time for the audit to be properly completed and submitted to the Legislative Auditor in a timely manner.

Response: We agree with this recommendation, and are attempting to work with our current audit firm to bring the Bureau into compliance in the current fiscal year and forthcoming years.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

Not applicable

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2006

There were no prior year findings in the prior auditor's report issued June 15, 2006.